

**Opening Statement**  
**Chairman Michael G. Oxley**  
**Committee on Financial Services**  
**February 28, 2002**

**Committee Views and Estimates for FY 2003 Budget**

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The Committee meets today to discharge its statutory responsibilities under the Congressional Budget Act of 1974 and Rule X of the House. Those responsibilities include providing views and estimates on items in the President's proposed budget for Fiscal Year 2003 that fall under the jurisdiction of this Committee, as well as advising the Budget Committee of the budgetary impact of legislation under consideration by this Committee. The committee print before the Committee fulfills those obligations. There has been close consultation with the Minority on the text of the document, and many of the Minority's proposals have been incorporated into the final product.

I would like to take a moment to highlight several issues covered by the document.

There is a special effort in the budget views to highlight the ways in which the President's budget provides support for the war against terrorist financing. In the wake of Committee action on the USA PATRIOT Act's provisions on terrorist financing and money laundering, it is critical that the Administration devote the necessary resources to ensure full and thorough implementation of the new law.

The Committee print also flags for the Budget Committee several items of legislation that are high on the Financial Services Committee agenda, and at various stages in the legislative process. These include deposit insurance reform, SEC reauthorization, terrorism insurance, the anti-fraud network, payment of interest on sterile reserves, the Export-Import Bank reauthorization, and reauthorization of U.S. contributions to several international financial institutions.

In terms of the President's budget, the biggest ticket item, as usual, is the annual request for the Department of Housing and Urban Development (HUD). Among the most important of the initiatives in this year's HUD budget are those promoting home ownership for minorities, as highlighted in the President's State of the Union speech just a few weeks ago. The Committee print before the Members this morning expresses strong support for those initiatives.

The Administration is also to be commended for proposing the renewal of all Section 8 rental subsidy contracts, but the Committee notes in the views that this program alone now exceeds 50 percent of the entire HUD budget. If current trends continue, there is concern it could squeeze out resources for other worthwhile HUD initiatives. Clearly, this is a long-term issue and the Committee will be consulting with HUD on how to address it.

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With respect to the SEC, the budget views articulate strong support for pay parity for SEC employees and for roughly a fifty percent increase in the SEC's budget for enforcement and corporate finance to ensure sufficient resources to vigorously prevent and pursue violations of securities laws. The Enron case provides more than sufficient justification for additional SEC resources in these areas.

Finally, the views comment on the Export-Import Bank's budget request, as well as the Administration's request for increased funding for the World Bank's concessionary lending facility, the International Development Association (IDA). The Administration has also recommended that the U.S. pay up its arrears to various international financial institutions. The Committee concurs with that policy decision and supports the budget request to implement it.

Before closing, I would like to make a comment about what was not in the President's budget request. As my colleagues will recall, the Committee has consistently opposed, over many years, perennial Administration recommendations to impose new FDIC and Federal Reserve examination fees on State-chartered banks. This year, in a refreshing development, the President's budget makes no mention of new bank fees. No longer will State-chartered banks and their customers face the prospect of millions of dollars in new costs. This useless exercise, thankfully, appears to be over.

In closing, I want to commend my colleague, the distinguished Ranking Member, Mr. LaFalce, for his close cooperation in developing this budget document and I will turn to him for an opening statement.

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